Message Text

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INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 STR-04 CEA-01 SAJ-01 /100 W

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R 230730Z DEC 76 FM USLO PEKING TO SECSTATE WASHDC 6977 INFO AMCONSUL HONG KONG AMEMBASSY TOKYO AMEMBASSY PARIS

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E.O.11652: GDS
TAGS: EINT CH JN FR
SUBJECT: MOVEMENT ON ECONOMIC POLICY

1. SEVERAL INDICATIONS OF ACTIVITY BY THE CENTRAL GOVERNMENT IN ECONOMIC MATTERS HAVE COME TO THE ATTENTION OF USLO RECENTLY. ACCORDING TO JAPANESE EMBOFF (ISHISUKA), COMMENTS BY CHINESE IN PEKING HAVE LED THE JAPANESE EMBASSY TO BELIEVE THAT THE FIRST STEP IN THE "IMPROVEMENT IN MATERIAL WELFARE" PROMISED BY THE POST-GANG OF FOUR GOVERNMENT HAS ALREADY BEEN TAKEN. "VERY LOW WAGES" (I.E., WAGES OUTSIDE OF THE EIGHT GRADE WAGE SYSTEM) ARE PRESENTLY BEING RAISED TO THE EQUIVALENT OF THE LOWEST LEVEL PAID UNDER THE EIGHT GRADE SYSTEM. THE SAME SOURCES HAVE SAID THAT BETTER PAID WORKERS, COMPRISING THE VAST MAJORITY OF EMPLOYEES IN THE INDUSTRIAL SECTOR, KNOW THAT THEY WILL HAVE TO WAIT SOME TIME FOR ANY WAGE INCREASES.

2. MARTINE MONOD-BROCA OF THE CENTRE FRANCAIS DU CONFIDENTIAL

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COMMERCE EXTERIEUR, WHO PARTICIPATED IN THE MID-DECEMBER SINO-FRENCH MIXED COMMISSION TALKS, TOLD USLO THAT THE CHINESE SIDE EXCUSED THEIR LACK OF CONCRETE PROPOSALS BY SAYING THAT NEITHER THE FIVE-YEAR PLAN NOR THE 1977 ANNUAL FOREIGN TRADE PLAN HAD YET BEEN CONCLUDED. THE 1977 TRADE PLAN, HOWEVER, WOULD

BE COMPLETED "VERY SOON," PROBABLY IN EARLY JANUARY. GATES	
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NNN	

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